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the creation of paper money, you will agree with me in the impracticability of so confined a system.

I should here conclude, having already trespassed too far on your indulgence, were it possible to overlook the implication of dishonour and deception on the bank, which follows, "that to hide the increase of their issues, they diminish their discounts in the proportion of 1 to 4, previous to laying their annual accounts before Parliament, and immediately extend their issues when the account is made up." I shall only reply to this by saying, were the directors of the bank, in defiance of every feeling of honour or interest, to stoop to such a shallow artifice, they would by such conduct counteract the implied object of silencing the outcry on the high price of guineas, or, as you please to term it, the depreciation of their paper; nay, they would increase this evil, taking your position that the premium on guineas is the index by which we ascertain the state of bank note depreciation, as they would inevitably rise in value rather than decrease, in as much as they would be of greater importance, from the diminution of the circulating medium, to the amount of the contraction of discounts you have stated.

I shall not trespass further than as a "friend to fair discussion," and confiding in the "omnipotence of truth over error," I shall not do you the injustice to doubt your willingness to admit these observations into your pages.

I am, Gentlemen,
Your constant reader,

Coleraine. CHARLES WILLIAMS.
Oct. 21st, 1809.

Notes in Reply, by the Commercial Reporter.

THE foregoing letter, dated the 21st ulto, did not reach the Reporter till the 24th, when it was too late, without materially deranging the plan of the magazine, to give insertion to it in the last number.

Previously to entering on the subject of this letter, the Commercial Reporter wishes to explain, what, to some may appear an inconsistency, in these reports. In the early numbers he advocated the simplifying of money transactions in this country, by having all payments in one medium, and as guineas could not be procured in sufficient quantities, the more general adoption of paying in bank-notes was recommended as an evil of less magnitude, than the complicated manner of dealing partly in guineas, and partly in notes, by which the skilful computer had the advantage over those less knowing; but he never attempted to deny the actual depreciation of bank notes, when they are not payable in guineas: throughout the entire discussion, he both impliedly and expressly admitted this fact, which appeared to him, then and now incontrovertible. He has not changed his former position, in the latter considerations on the subject of depreciation. The first was a question of domestic or local policy, whether it were not better to submit, as in this quarter we could not alter the general current; now the question is taken up more broadly, as affecting the general commercial interests of the empire.

The following remarks are submitted to the public, in the shape of notes on C. W's. letter.

"Is then this depreciation of bank paper, a consequence of the Austrian subsidy, or any way resulting from an increase of speculative enterprize; or what has this twenty-five per cent history to do with bank paper?"

The state of exchange on the Continent being unfavourable to England, proves the depreciation of our paper currency, because if we had guineas in circulation, as at the beginning of the war, exchange could never be at a loss of 25 per cent to England, for guineas would be remitted and the exchange would never be more against England, than probably a little more than the cost of sending guineas to the Continent. We have not guineas to send; our paper will not pass on the Continent, and bills drawn at Hamburgh on London, to be paid in notes, are at a loss of 25 per cent. An English guinea, *not a bank-note for that sum*, would in Hamburgh be really worth 1*l.* 5*s.* in such a course of exchange.

"Merchants had recourse to gold, not as money, but as bullion."

Gold bullion in England is worth

4*l.* 13*s.* per oz. but when coined into guineas, it only brings 3*l.* 17*s.* 10½*d.* The consequence is, the deficiency is countervailed now in England, as it has long been in Ireland, by a discount, varying according to the demand for guineas; and on the Continent by a higher value bearing a relative proportion to the more or less favourable state of exchange. Is not this a real depreciation in both instances? The Jews and others, did not buy guineas at a low rate, as bad shillings, and old plate to sell again, but they gave in bank-notes the increased amount of discount added to the nominal value of the guineas.—Their real value then is 1*l.* 1*s.* in England, and 1*l.* 2*s.* 9*d.* in Ireland, with the addition of the discount, at which they are bought.

"Of what use are guineas or any species of coin, but for the purposes of internal trade?"

The great superiority of guineas over bank-notes is, that in any part of the commercial world, they still retain their value, while out of Great Britain and Ireland, the notes of their national banks, will not pass current, at the value marked on them. The merchants on the exchange at Hamburgh, the British generals and soldiers in Spain, Portugal, and Holland, can answer this question.

"In consequence of the demand for the butter trade of Belfast, guineas bore a higher premium at one time of the month; do you mean to say, that bank-notes were depreciated in value more, &c.?"

Guineas bear a relative proportion to the demand, and if they are required in larger quantities at one period than another, they will bear a higher premium, whether they are used for the purposes of buying butter, or any other article. The writer's wit on "the slippery foundation of butter, and the retrogressive motion," is misplaced. If guineas were more generally used for buying linens, as formerly, an increased demand, would increase the premium, and they rise and fall exactly in the proportion of the demand, which fluctuates according to the circumstances of the market. Wheat is no more intrinsically valuable as an article of usefulness, when it sells at 24*s.* per Cwt. than when it brings 14*s.* It is the ratio of the greater or less demand, and the quantity at market, which fixes the price. C. W's. flashes afford no steady light to guide us through the gloom that attends what some consider the decline of the highly vaunted prosperity of Great Britain.

"Is the almost total silence among commercial men a proof that this depreciation is forcing itself on the public?"

In Ireland there may be a silence on this subject. We have long been familiar to bank-notes, bearing a discount; in England, the case is different. The public attention has lately been considerably aroused there, and the unfavourable rate of exchange on the Continent, has caused a considerable alarm, and awakened some considerations, which had hitherto been overlooked. As a proof of the interest the subject has lately excited, reference may be made to the sundry articles, which have latterly appeared on both sides of the question, in the Morning Chronicle, the Times, and Cobbett's Weekly Register.

"What would be the situation of this mercantile nation, if a considerable part of these guineas came to be exported?"

Guineas would not be exported, if they were not more valuable abroad, than when forced to circulate at home, in company with a depreciated paper currency. The fact of attempting to export them, proves their increased value. If this were not the case, bills would answer the purposes of trade, or bank-notes would be exported. There is a great and obvious distinction to be made, between bank-notes circulating instead of guineas, *and not convertible into specie at the option of the holder*, and the mass of negotiable paper in circulation in the form of bills of exchange, and promissory notes; bank-notes form only a part of the system of paper credit. The evils of the present bank-note system are all solvable into the effects of the restriction act, which liberated the banks of England and Ireland from paying their notes in specie. As to the implication of dishonour and deception in the bank, it remains for them or their advocates to adduce sufficient proof to exonerate them from the

charge. They were lately accused in the Morning Chronicle "of diminishing their discounts in the proportion of one to four, previous to laying their annual accounts before parliament, for the purpose of hiding the increase of their issues," which was done at a time, when no avowed premium on gold existed, and the bank directors had no motives to induce them to conceal the depreciation of the circulating medium, although now for the reasons assigned in the letter, they may be more cautious. The assertion publicly made, remains as yet, as far as I have seen, without an attempt to refute it. Many of the bank directors may be fairly presumed to be readers of a paper so generally in circulation in London, as the Morning Chronicle, and if they could, I have no doubt they would repel the charge.

It is a serious and alarming fact, that the bank of England is, by the extravagant loans forced from it by Pitt, and his successors, almost entirely identified with the government; and reflecting men cannot but feel in a state of extreme apprehension, when government set their partners, the bank, free from an obligation to pay their own notes. To what catastrophe such a state of things may lead, is a problem which must be solved sooner or later, according to the more or less favourable circumstances of political and commercial events, and where so much is at stake, precaution and apprehension are more allowable than unsuspecting and unjustifiable confidence.

For the Belfast Monthly Magazine.

A TOUR TO MOURNE.

ON the fourth of September, in the company of two friends, I visited *Slieve Donard*, the most eastern elevation of Mourne mountains. We left the utmost pinnacle of its arduous top at half past seven at night, and through a dense mist, in Egyptian darkness under some rain, descended for the space of four hours in a literally crawling attitude, over precipices and cataracts, in the hearing of much and loud thunder, apparently rolling below us, accompanied by the most vivid flashes of lightening we had ever beheld. Drenched in every stitch of our dress, and dyed by the juices of the long and dripping heather of the mountain, mudded and bedaubed by the mossy and spongy parts of its surface; slightly bruised, and much jaded by falling into, and wading through the sloughs and pits towards its bottom; faint and almost exhausted with laborious and awkward exertion, having to travel alternately on our backs, knees, hands and feet, not daring to stand, much less walk erect; cordially grateful for a merciful deliverance, and electrified with joy, we arrived, as at a blissful asylum, at the long looked for village of Newcastle.

This is a small hamlet of little trade, and without market or fair. The houses are neither very correct, regular, nor elegant. It has no house set apart for any description of public worship. This circumstance subjects the inhabitants to the necessity of attending divine service at rather an inconvenient distance, and proves a temptation to live in the neglect of ostensible devotion. It possesses many of the requisites of salubrity, is well supplied with pure fresh water by the rivers that descend from the mountains, sits on a clean strand, is immediately connected with good arable land, of a dry and sandy kind, and enjoys excellent air, from an open shore, and a well cultivated country. Some people of delicate constitutions have established fixed residences here for the sake of the salt water. The inhabitants are partly supported by farming and fishing, but chiefly by accommodating strangers, who resort hither in the bathing season, for recreation and health. This is a pleasant spot, especially in the summer months, and certainly an eligible watering place, being fitly situated as to the shore, and under a sheltering wing of huge Donard. Here is no very public road, no great thoroughfare, and consequently an opportunity of enjoying more than the common retirement of many other villages. Here the friend of tranquillity may recline in the enjoyment of a happy solitude, far removed from the bustle and confusion, the noise and intemperance of great towns. Here may the sickly frame regain that health and vigour which have been lost by the confinement, the smoke and stench of